

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 1774-02
Bill No.: SB 580
Subject: Housing: Fees
Type: Original
Date: April 8, 2003

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| Lifetime Home Fund | \$0 | \$0 | \$0 |
| | | | |
| Total Estimated Net Effect on Other State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|-------------------------------------|------------|------------|------------|
| FUND AFFECTED | FY 2004 | FY 2005 | FY 2006 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Treasurer's Office** assume this legislation would be administered the same as the Missouri Housing Trust Fund (Section 215.034). Assuming this is correct, there would be no impact to the State Treasurer's Office.

Officials of the **Department of Revenue** assume no fiscal impact.

Officials of the **Department of Economic Development- Missouri Housing Development Commission**, assume that to administer this program would require 2.0 FTE. Officials assume they would need (1 FTE) Housing Development Officer who would be responsible for overall administration, and (1 FTE) Compliance Officer who would be responsible for insuring the housing built meet accessibility requirements of this proposal. Officials stated that they can project the income to be generated by the \$1 dollar recording fee. Officials estimate annual income to be approximately \$1,500,000. **Officials assume that any amount of expenditure that would exceed the 2% allowed for administration would come from the State's General Revenue Fund.**

ASSUMPTION (continued)

Officials estimate for 2 FTE Personnel cost for 10 months of FY 2004 at 66,667; and in FY 2005 \$82,000; and \$84,405 in FY 2006. Fringe Benefit costs would be \$26,980 in FY 2004; and \$33,185 in FY 2005; and \$34,159 in FY 2006. Officials estimate equipment cost in FY 2004 at \$14,340; and \$0 in FY 2005 and 2006. Expenses are estimated to be \$4,767 in FY 2004; \$5,768 in FY 2005; and \$5,942 in FY 2006. Total costs for FY 2004 is \$112,754; for FY 2005 is \$120,953; and \$124,506. **Housing officials assume any amount that would exceed 2% of the total revenue generated from the \$1 recording fee would come from the State's General Revenue Fund.**

Income from the \$1 fee is estimated to be for 10 months of FY 2004 at \$1,225,067; and \$1,470,080 in FY 2005; and \$1,470,080 in FY 2006. In FY 2004 2% of the total revenue generated would be \$24,501; and in FY 2005 2% would be \$29,402; and \$29,402 in FY 2006.

Oversight assumes that the provisions of Section 215.264.2 states that "all administrative costs of the Lifetime Home Program incurred by the Missouri Housing Development Commission shall be paid from this fund, which costs annually shall not exceed two percent of the net annual revenues received into the fund". Therefore, Oversight will show costs to the fund of 2% of the net annual received into the fund. Oversight will show no costs to the State's General Revenue Fund. Any costs in excess of 2% would have to be obtained by the Missouri Housing Development Commission during the annual appropriation process.

| <u>FISCAL IMPACT - State Government</u> | FY 2004 (10 Mo.) | FY 2005 | FY 2006 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

LIFETIME HOME FUND

| | | | |
|--|-------------|-------------|-------------|
| <u>Income</u> to Lifetime Home Fund from \$1 recording fee | \$1,225,067 | \$1,470,080 | \$1,470,080 |
|--|-------------|-------------|-------------|

| | | | |
|--|------------|------------|------------|
| <u>Cost</u> to Lifetime Home Fund Administration cost 2% of income | (\$24,501) | (\$29,402) | (\$29,402) |
|--|------------|------------|------------|

| | | | |
|---|----------------------|----------------------|----------------------|
| <u>Cost</u> to Lifetime Home Fund \$5,000 grant money for homes beginning January 1, 2004. | <u>(\$1,200,566)</u> | <u>(\$1,440,678)</u> | <u>(\$1,440,678)</u> |
|---|----------------------|----------------------|----------------------|

FISCAL IMPACT- State Government

| | | | |
|---|-------------------|-------------------|-------------------|
| ESTIMATED NET EFFECT TO LIFETIME HOME FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|---|-------------------|-------------------|-------------------|

| | | | |
|---|---------------------|------------|------------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2004 (10 Mo.) | FY 2005 | FY 2006 |
| | \$0 | \$0 | \$0 |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This act establishes the lifetime home grant program. Under this act, an additional fee of \$1 will be charged on real estate instruments. These additional fees will be deposited in a newly created fund known as the Lifetime Home Fund. The fund would be administered by the Missouri Housing Development Commission. Beginning January 1, 2004, individuals who build a universally designed lifetime home may apply for a payment from the fund in the amount of \$5,000.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.


SOURCES OF INFORMATION

Office of State Treasurer
Department of Economic Development- Missouri Housing Development Commission
Department of Revenue

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NOT RESPONDING

Recorder of Deeds of : Boone, Callaway, Johnson, Jefferson, Franklin, Greene, and St. Louis County.

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 8, 2003

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